



March 4, 2013

The Honorable Dan Malloy
Governor of Connecticut
210 Capitol Avenue
Hartford, Connecticut 06106

Dear Governor Malloy:

As you are aware, due to the failure of Congress to reach a deal on balanced deficit reduction to avoid sequestration, on March 1 the President was required by law to issue a sequestration order canceling approximately \$85 billion in budgetary resources across the Federal Government for the remainder of the Federal fiscal year. As partners with the Social Security Administration (SSA), we wanted to provide you with timely and clear information about how these unfortunate budget cuts affect us, and in turn what it means for funds provided to the State of Connecticut.

As a result of sequestration, SSA's overall budget has been reduced by \$386 million for the remainder of the fiscal year. The current budget situation is exacerbating the negative effects of over two straight years of funding levels nearly a billion dollars below the President's budget requests. Since the end of fiscal year (FY) 2010, we have lost approximately 9,100 federal and state employees due to attrition that we have been unable to replace. At our sequestration funding level, we will be unable to replace these employees, bringing our total losses to 12,500 by the end of FY 2013. Had we not incurred sequestration and remained at the continuing resolution funding level, we could have lessened that attrition by hiring another 2,400 employees.

For Connecticut, we estimate the impact on the State and local economies to be a loss of \$2.8 million in lost wages for federal and state employees who we will not be able to replace and delayed benefit payments to your constituents. We estimate that nationally, pending levels of initial disability claims will rise by over 140,000 claims, and on average, applicants will have to wait about two weeks longer for a decision on an initial disability claim and nearly a month longer for a disability hearing decision. Visitors in our field offices will wait significantly longer, and callers to our 800-number will wait almost 10 minutes for us to answer.

While these reductions are unfortunate and will be damaging, the agency is doing everything within our power to protect our mission to the greatest extent possible. Accordingly, we are prepared to work closely with you to manage these reductions to the extent that we can. Should Congress take subsequent action that changes the level or nature of these reductions, we are committed to working closely with you to manage those changes.

Thank you for your continued partnership with SSA, and for your cooperation as we work together to manage these unfortunate circumstances.

Sincerely,

A handwritten signature in black ink, reading "Carolyn W. Colvin". The script is fluid and cursive, with the first name "Carolyn" being the most prominent part of the signature.

Carolyn W. Colvin
Acting Commissioner